

# CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Suburban Illinois Bancorp, Inc./Suburban Bank and Trust

Point of Contact:	Wayne Pavlicek	RSSD: (For Bank Holding Companies)	2327541
UST Sequence Number:	1289	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	15,000,000	FDIC Certificate Number: (For Depository Institutions)	20443
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	June 19, 2009	City:	Elmhurst
Date Repaid <sup>1</sup> :	N/A	State:	Illinois

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

During 2009, the investment in Suburban Illinois allowed us to push capital down to our Subsidiary, Suburban Bank and Trust and continue lending to our customers in the communities we serve. During 2010, as asset quality at our bank continued to decline, we slowed lending to manage capital.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

We are involved in consumer lending (Installment), Home Equity/Second mortgages, small business loans, owner occupied commercial real estate and multi family lending.

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☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☒ Increase reserves for non-performing assets.

Due to the continued decline in asset quality we have used a large portion of the Capital Purchase Program funds to provide additional reserve for or problem assets.

☒ Reduce borrowings.

Upon receipt of funds we did retire a small short term line at Suburban Illinois Bancorp.

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☒ **Increase charge-offs.**

See increased reserves for non-performing assets, CPP funds were used to deal with problem assets in an aggressive and timely manner.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☒ **Held as non-leveraged increase to total capital.**

Initially, but currently there are no excess funds.

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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The capital infusion from the Department of Treasury, allowed us to remain well capitalized until our most recent safety and soundness exam at which time we were placed under a consent order (at the bank), although we are in compliance with the capital ratios under the consent, we are no longer considered well capitalized. The Treasury's investment has helped us maintain the prescribed capital ratios. Without these funds we also would not be able to conduct business with our customers, even though the amount of business we currently do is not as robust as what was transacted in 2009 or earlier we are still providing services to our customers.

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**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

It has allowed us to continue to do business in the communities we serve.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

No other actions, other than what was noted above.